

Message Text

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E.O. 11652: GDS

TAGS: ECON, CH, NATO

SUBJECT: ECONADS: REPORT ON THE ECONOMY OF THE PRC

REF: NATO 4936

1. COMMENTS ON DRAFT FOLLOW.

2. SELECTION OF BASE YEAR OVERSTATES THE GROWTH OF GRAIN OUTPUT, SINCE THE 110 MILLION TON ESTIMATE FOR 1949 WAS BASED ON INCOMPLETE DATA AND NATURALLY COULD NOT TAKE INTO ACCOUNT THE NORMAL RECOVERY OF OUTPUT FROM THE PERIOD OF THE CIVIL WAR. THE ESTIMATE FOR 1952 IS 154 MILLION TONS.

3. WE ESTIMATE THAT THE POPULATION IN 1973 WAS ABOUT SIXTY PERCENT HIGHER THAN IN 1949.

4. SUGGEST REPLACEMENT OF "PROSPECTS" PARAGRAPH WITH THE FOLLOWING:

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PROSPECTS CHINA IS LESS WELL SITUATED TO BENEFIT FROM THE "GREEN REVOLUTION" OWING TO THE PRESENT INTENSITY OF CULTIVATION AND HIGH GRAIN YIELDS. MOREOVER, A SUBSTANTIAL PROPORTION OF ITS FARM LAND IS SO POOR THAT SIGNIFICANT MODERNIZING DEVELOPMENT WILL BE UNPROFITABLE. AT PRESENT, CHINA OBTAINS SOME 250 MILLION TONS OF GRAIN FROM ABOUT 90 MILLION HECTARES DEVOTED TO GRAIN CROPS, AN AVERAGE

ABOUT 2.6 TONS PER HECTARE, AND IT USES ABOUT 55 KILOGRAMS OF FERTILIZER NUTRIENTS PER HECTARE OF ITS TOTAL CULTIVATED LAND OF 110 MILLION HECTARES, WHICH IS SLIGHTLY ABOVE THE WORLD AVERAGE, CHINA IS THUS FAIRLY WELL ALONG ON ITS ROAD TO AGRICULTURAL MODERNIZATION, AND THE GAINS THAT MAY STILL BE WON THROUGH IMPROVING YIELDS ARE CORRESPONDINGLY LESS.

AS A FOOTNOTE TO THESE CONCLUSIONS, WE NOTE THAT THE IMPORT OF WESTERN FERTILIZER PLANTS, NOW EXPECTED TO BE IN OPERATION BY 1980, RAISES THE POSSIBILITY OF HIGHER YIELDS IN THE DECADE OF THE 1980'S. KISSINGER

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